

CLARK COUNTY
FINANCE COMMITTEE

THIRD QUARTER, 2003



NOVEMBER 20, 2003

CLARK COUNTY
FINANCE COMMITTEE
INDEX

SECTION I	AUGUST 19, 2003 MINUTES
SECTION II	EXECUTIVE SUMMARY
SECTION III	2003 YEAR-TO-DATE
SECTION IV	QUARTERLY ACTIVITY
SECTION V	INVESTMENT STRATEGY
SECTION VI	ECONOMIC/MARKET CONDITIONS
SECTION VII	PORTFOLIO

SECTION I – AUGUST 19, 2003 MINUTES

REGULAR MEETING MINUTES

Clark County Finance Committee Meeting

August 19, 2003

Clark County Treasurer's Office Conference Room

Member in Attendance: Doug Lasher, Chair
Greg Kimsey, Secretary
Craig Pridemore, Commissioner

Others in Attendance: Bill Barron, County Administrator; Cathy Huber Nickerson, Lori
Pearce, Margie Edwards, John Payne, Treasurer's Office

The meeting was called to order by Doug Lasher, Chair, at 3:15 p.m. with a quorum present.

APPROVAL OF MINUTES

MOTION was made by Craig Pridemore, seconded by Greg Kimsey, and unanimously carried to approve the Minutes of May 13, 2003.

APPROVAL OF COUNTY FINANCE REPORT

Margie Edwards presented an overview of the second-quarter, 2003, County Finance Report, which included investment strategies, economic and market conditions, and a review of the portfolio as of June 30, 2003. The GDP growth came in at a modest pace in the second quarter of 2003; the Consumer Confidence Index for June was 76.6, up from 61.4 in March, and the unemployment rate was 6.4% by the end of the second quarter compared to 5.8% in March. July's rate was back down to 6.2% suggesting that perhaps people have stopped looking for work. The County Pool interest rate was 2.26% with Fed Funds at 1%. County Pool balances averaged \$583 million in June of 2003 compared to \$518 million in June of 2002. Evergreen School District issued another \$58 million in the prior quarter. Evergreen School District funds comprise 27% of the County Pool; County funds comprise 26%; Vancouver School District 18%; the Port of Vancouver 8%; Camas School District at 3%; ESD 112 at 3%; Leichner at 3%; and all other districts at 12%. The annualized quarterly total return for the County Pool came in at 1.08% compared to the custom Treasury total return index of 1.59%. The County Pool rate, on a book value return basis and on a net basis, yielded 2.26% compared to the custom Treasury Index with a book value return of 0.96%. In accordance with our investment policy, fair market value adjustments are made four times per year with the next one occurring at the end of August. The current investment strategy is to utilize the U.S. Bank of MIA and the State Pool for short-term investments until the interest rate outlook changes; target an average maturity of seven to eight months; focus on the two to four-year final maturity sector for new purchases; and ladder securities to meet our cash flow needs when interest rates on short-term money market securities increase above State Pool and the U.S. Bank MIA account. **MOTION** was made by Greg Kimsey, seconded by Craig Pridemore, and unanimously carried to approve the County Finance Report for second-quarter, 2003.

PFM REPORT

Margie Edwards presented an overview of the County's investments for second quarter, 2003. The end of the war with Iraq resulted in geopolitical uncertainties. The latest interest rate cut by the FOMC on June 25 may have been the last rate cut for this cycle. Interest rates rose sharply as the Federal Reserve failed to deliver as aggressive a cut as was expected on Wall Street. Second-quarter highlights are:

- **Asset Diversification** – The asset allocation of the portfolio changed somewhat as the County took advantage of market opportunities to sell short-term Treasuries and swap them into higher yielding investments.
- **Maturity Distribution** – The average maturity of the County's pool portfolio lengthened slightly from 7.0 months to 8.0 months.
- **Credit Quality** – The County maintains a diversified portfolio of high credit quality securities. As of June 30, 2003, 49% of the portfolio was invested in securities rated "AAA," 29% invested in the State LGIP, and 22% invested in the unrated U.S. Bank Municipal Investment Account.
- **Liquidity** – At the end of June, 2003, 100% of portfolio assets were categorized in one of PFM's top three liquidity rating categories (1, 2, and 3). Overall weighted liquidity factor was 2.31, which is within PFM's recommended range of 2 to 4.
- **Market Risk** – Allocation to securities maturing within one year rose from 71.6% as of March 31, 2003, to 79.2% as of June 30, 2003, which lowered the market risk in the portfolio.
- **Callable Exposure** – The total portfolio's exposure to call risk was less than 11% as of June 30, 2003.
- **Performance** – The total annualized return of the County Pool portfolio was 1.08% during the second quarter.

PFM's recommendations are:

- **Maintain current asset mix.** Maturities less than 24 months have limited value. Purchase U.S. Treasuries with two to four-year final maturities for new purchases if agency yield spreads remain narrow (under 15 basis points).
- **Utilize U.S. Bank MIA and the State LGIP for short-term investments until interest rate outlook changes.**
- **Minimize interest rate risk by targeting an average maturity of seven – eight months.**
- **Monitor callable agency allocation.**

COUNTY DEBT STATUS

Lori Pearce presented the County Debt Status Report as of June 30, 2003. At the end of the second quarter, 2003, the total outstanding debt of Clark County and its junior taxing districts totaled approximately \$824 million compared to \$811 million on June 30, 2002.

New issues during second quarter were Clark County, \$11,835,000 in Limited Tax G.O. Improvement and Refunding Bonds to finance the cost of remodeling the Community Development building, acquiring golf course maintenance equipment, acquiring emergency services equipment, pay for portions of the energy savings project, and costs of refunding the callable portion of the outstanding Series 1994 Limited Tax G.O. Bonds; Port of Vancouver, \$10,000,000 in Limited Tax G.O. Bonds to finance a portion of redevelopment of the Port's Terminal 3 including storm water and roadway improvements and to finance a portion of the Port's other planned capital improvements; and Fire District #11, \$60,000 in Limited Tax G.O. Bonds to pay for an emergency vehicle.

New Issues during third quarter were Vancouver School District #37 who issued \$18,670,000 in Unlimited Tax G.O. Refunding Bonds for refunding the callable portion of the outstanding Series 1995 Unlimited Tax G.O. Bonds; Clark County entered into a Public works Trust Fund Loan agreement for \$1,400,000 for construction of NW 117th/119th Streets (NW 7th Avenue to NE Hazel Dell Avenue) of which only \$280,000 has been drawn down; LaCenter SD #101 will issue \$2,490,000 in Unlimited Tax G.O. Refunding Bonds for refunding the callable portion of the outstanding Series 1993 Unlimited Tax G.O. Refunding Bonds; Vancouver SD #37 will issue approximately \$12,850,000 in Unlimited Tax G.O.

Refunding Bonds for refunding the callable portion of the outstanding series 1993 Unlimited Tax G.O. Bonds; Fire District #5 will issue approximately \$1,500,000 to finance the cost of acquiring the building they are currently leasing.

Clark County short-term outstanding debt - \$5,000,000 Line of Credit available from First Independent Bank with a total outstanding as of June 30, 2003 of \$3,685,146. An inter fund loan from Clark County to the Clark County Fair of \$1,100,000 had an outstanding amount of \$862,512. There were no registered warrants outstanding as of June 3, 2003.

MOTION to adjourn was made by Greg Kimsey, seconded by Craig Pridemore, and unanimously approved to adjourn the meeting.

Submitted by: _____
Greg Kimsey, Secretary

Prepared by: _____
Kathleen Smithline
Administrative Assistant

SECTION II - EXECUTIVE SUMMARY

This report provides a retroactive review of the activities occurring during the third quarter, 2003, in compliance with our Investment Policy and Standards adopted November, 2002.

During the third quarter, the average maturity of the portfolio increased to approximately 8.5 months, compared to 8.1 months in the second quarter of 2003. The asset sector distribution of the portfolio changed during the third quarter, with approximately 41% of the portfolio invested in Federal Agencies, 47% invested in money markets and 12% invested in U.S. Treasuries. This is compared with the second quarter of 2003's asset allocation of 40% of the portfolio invested in Federal Agencies, 51% invested in money markets and 9% invested in U.S. Treasuries. At the end of September 2003, the total book value of the portfolio was approximately \$518 million.

Residual balances for the third quarter averaged \$41 million monthly compared to a \$42 million monthly average in the third quarter of 2002. Interest earnings distributed to the County's General Fund during the third quarter of 2003 were \$205,940 compared to \$494,217 for the third quarter of 2002, a decrease of approximately \$288,000. This is a result of lower interest rates and lower overall balances in county funds in 2003 compared to 2002. The average interest rate of the Clark County Investment Pool for the third quarter of 2003 was 1.95% compared to 2.94% in the third quarter of 2002. Interest earnings for the third quarter of 2003 were lower than our projections by approximately \$265,000 due to the lowest interest rates set by the Federal Reserve in 45 years.

County Pool balances averaged \$524 million in the third quarter of 2003, compared to an average of \$501 million in 2002. Interest earnings distributed to the County Pool participants for the third quarter of 2003 were \$2.6 million compared to \$3.8 million in the third quarter of 2002. Evergreen School District funds made up 27% of the County Pool. In the first quarter of 2003, Evergreen School District issued \$58,000,000 in bonds causing their overall percentage in the pool to increase substantially. Other major Pool participants include the County funds at 28%, Vancouver School District at 17%, Port of Vancouver at 8%, ESD 112, Camas School District and the Leichner Landfill reserves (Leichner) each at 3% and all other districts at 11%.

The annualized quarterly total return for the County Pool came in at 1.43% compared to the custom Treasury total return index of 1.17%. On a book value return basis, the County Pool rate yielded 1.85%, compared to the custom Treasury Index's book value return of 1.05%. The net asset value of the County Pool ended the quarter at 1.00236. An unrealized loss of approximately \$2.0 million was distributed to the Clark County Pool participants for the fair market value adjustment at the end of August. In accordance with our investment policy, fair market value adjustments are made four times per year. The next adjustment will occur at the end of December.

Our current strategy is to utilize the U.S. Bank MIA and the State Pool for short-term investments until the interest rate outlook changes. In order to protect the portfolio from a sudden increase in interest rates, we will maintain a defensive posture by targeting an average maturity of seven to eight months. When interest rates on short-term money market securities increase above the State Pool and the U.S. Bank MIA account, we will ladder securities. Until that occurs, we will be investing in Federal Agency securities in the 2 to 4 year final maturity sector to maintain an average maturity in the portfolio of seven to eight months in accordance with PFM's barbell structured recommendation.

SECTION III - 2003 YEAR-TO-DATE

INVESTMENT ACTIVITY:

During the first nine months of 2003, County residual principal balances averaged \$4.5 million less than the same period in 2002 on an average monthly basis. Actual monthly average 2003 County residual balances were under projections by approximately \$2.7 million for the year as denoted in the chart below.

Date	2002 Residual Balance	2003 Residual Balance	2003 Projected Residual Balance
January	30,856,789	22,190,576	37,000,000
February	31,155,726	43,210,854	34,000,000
March	37,646,261	30,010,925	35,000,000
April	51,177,914	44,478,047	47,000,000
May	117,685,700	104,803,897	105,000,000
June	67,873,104	53,127,743	66,000,000
July	47,913,148	42,806,477	40,000,000
August	41,337,910	50,867,877	42,000,000
September	35,673,119	29,207,851	39,000,000
Average	51,257,741	46,744,916	49,444,444

Since 2001, the Fed has taken aggressive action by lowering interest rates 13 times, which brought the Fed funds short-term interest rate to a 45-year low of 1.00% by the end of September 2003. Actual third quarter interest earnings declined to approximately \$206,000 in 2003 from \$289,000 in 2002. As shown below, total interest earnings for the first nine months of the year declined approximately \$507,000 in 2003 compared to 2002, approximately \$795,000 less than projected.

Date	2002 Interest Earnings	2003 Interest Earnings	2003 Projected Interest Earnings
January	107,662	36,650	103,549
February	97,169	79,951	92,556
March	115,274	62,699	113,021
April	151,923	87,242	156,667
May	317,493	194,845	384,271
June	196,114	100,270	242,000
July	104,621	72,663	155,000
August	100,738	88,297	164,558
September	83,832	44,980	151,125
Total	1,274,826	767,597	1,562,747

Shown below, County Pool principal balances averaged nearly \$525 million for 2003, compared to \$499 million during 2002, approximately 5% higher.

Date	2002 Pool Average Balance	2003 Pool Average Balance
January	486,563,440	432,859,337
February	476,757,242	459,652,656
March	473,722,986	507,018,514
April	481,162,641	531,678,200
May	564,699,682	631,898,589
June	509,155,187	585,383,441
July	484,723,340	542,874,101
August	517,817,042	521,881,095
September	500,556,289	508,408,559
Average	499,461,983	524,628,277

The table below reflects County Pool earnings of approximately \$9.0 million in the first nine months of 2003, compared to \$12.8 million during the same period of 2002, resulting in decreased earnings of approximately 30%. This is due to the lower interest rate environment and lower residual cash balances in 2003 compared to 2002 . The average Clark County Pool interest rate for the first nine months of 2003 was 2.25% compared to 3.40% in 2002.

Date	2002 Pool Interest Earnings	2003 Pool Interest Earnings
January	1,685,793	1,009,481
February	1,482,990	966,887
March	1,449,122	1,059,428
April	1,424,935	1,043,437
May	1,520,815	1,177,429
June	1,471,224	1,099,644
July	1,321,508	918,323
August	1,263,001	905,044
September	1,175,444	781,553
Total	12,794,832	8,961,226

Figure One shows the major participants in the Clark County Investment Pool for the third quarter of 2003. As of September 30, 2003, Evergreen School District made up 27% of the Pool, County funds – 28%, Vancouver School District – 17%, Port of Vancouver – 8%, ESD 112 – 3%, Camas School District and Leichner – 3% and all other districts – 11%. In the first quarter of 2003, Evergreen School District issued \$58,000,000 in bonds causing their overall percentage in the pool to increase substantially.

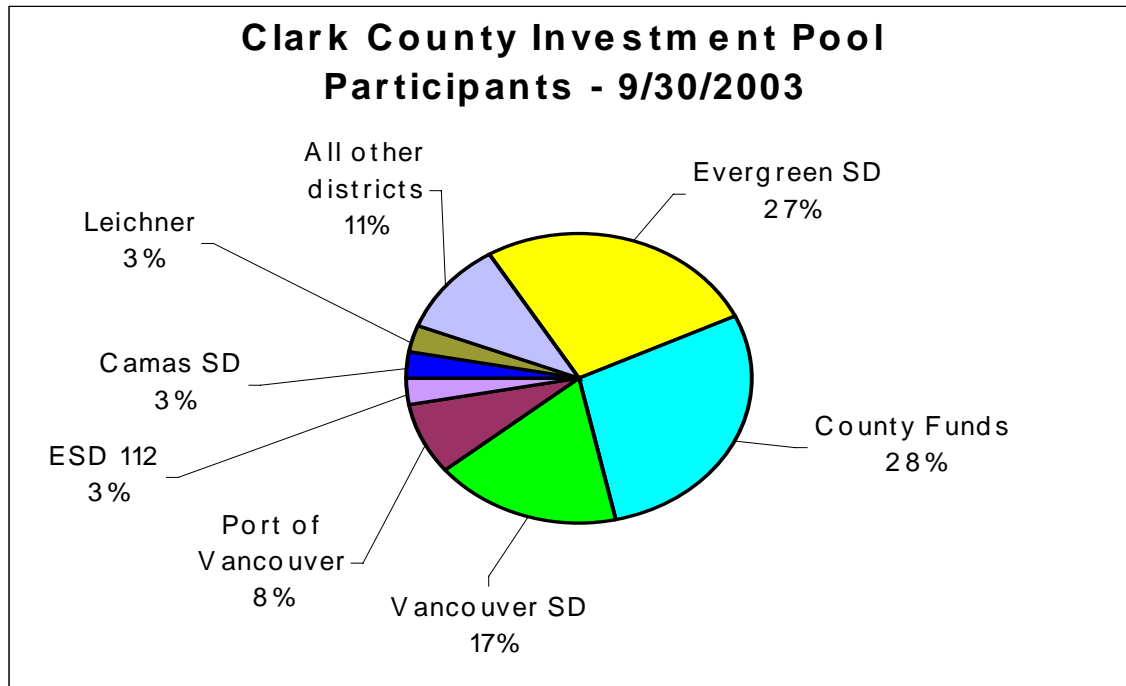


Figure 1

Figure Two shows month-end General Fund cash balances beginning with January 2002 through September 2003. For the first nine months of 2003, cash balances in the General Fund decreased below the same period in 2002 by a monthly average of approximately \$1.5 million. This is due primarily to the effects of the recent tax initiatives, capital projects and overall economic health of the County.

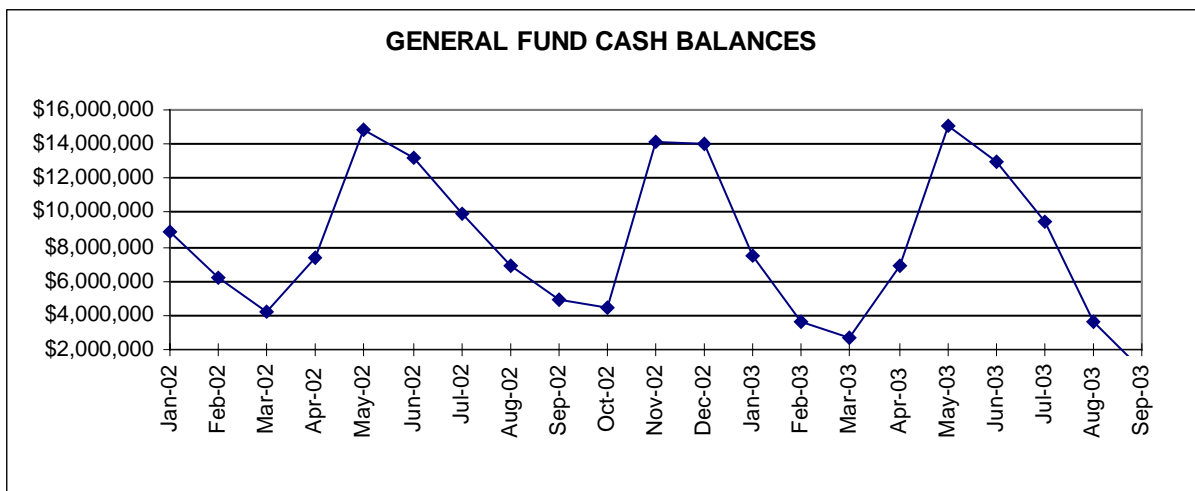


Figure 2

SECTION IV - QUARTERLY ACTIVITY

Figure Three reflects the average principal balances being maintained within the Pool in 2003. For the third quarter of 2003, the average monthly principal balance increased above the third quarter of 2002 levels by \$23 million.

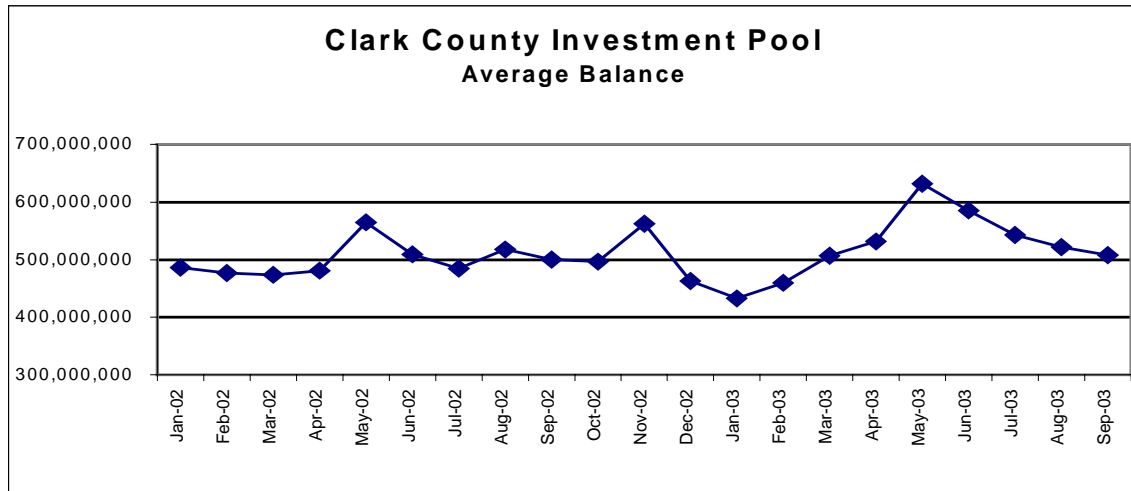


Figure 3

Figure Four reflects the actual monthly residual principal balances managed by the County for 2002 and 2003. Residual balances for the third quarter 2003 decreased below the third quarter of 2002 levels by an average of \$1.0 million per month due to lower growth in property tax revenues.

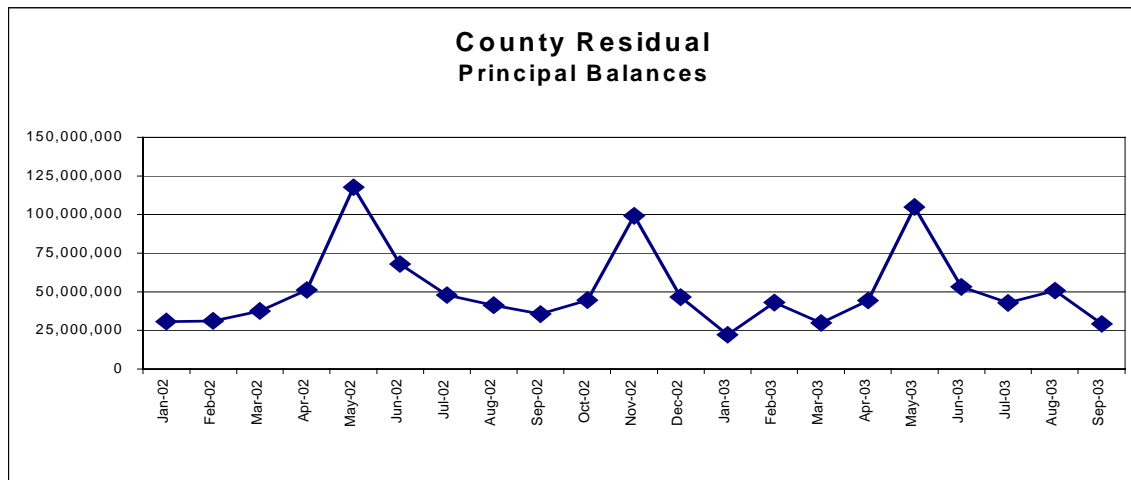


Figure 4

Figure Five shows interest earnings distributed each month to the County's General fund during 2002 and 2003. During the third quarter of 2003, interest earnings averaged \$27,000 less per month than during the same period in 2002. This is due to lower residual balances and lower interest rates during the third quarter. On an average monthly basis, \$96,000 was allocated to the General fund during third quarter of 2002. For third quarter of 2003, an average of \$69,000 was distributed to the General fund per month.

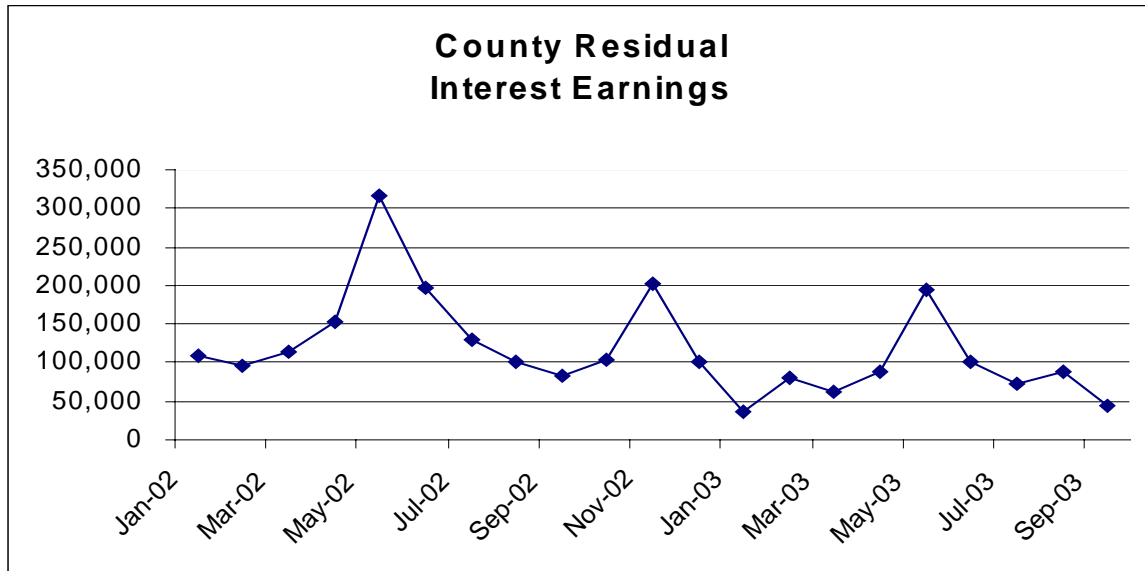


Figure 5

Figure Six shows the County Pool interest rates for 2002 and 2003. The County Pool's book value, gross interest rate at the end of September 2003 was 1.85%, compared to 2.82% on September 30, 2002.

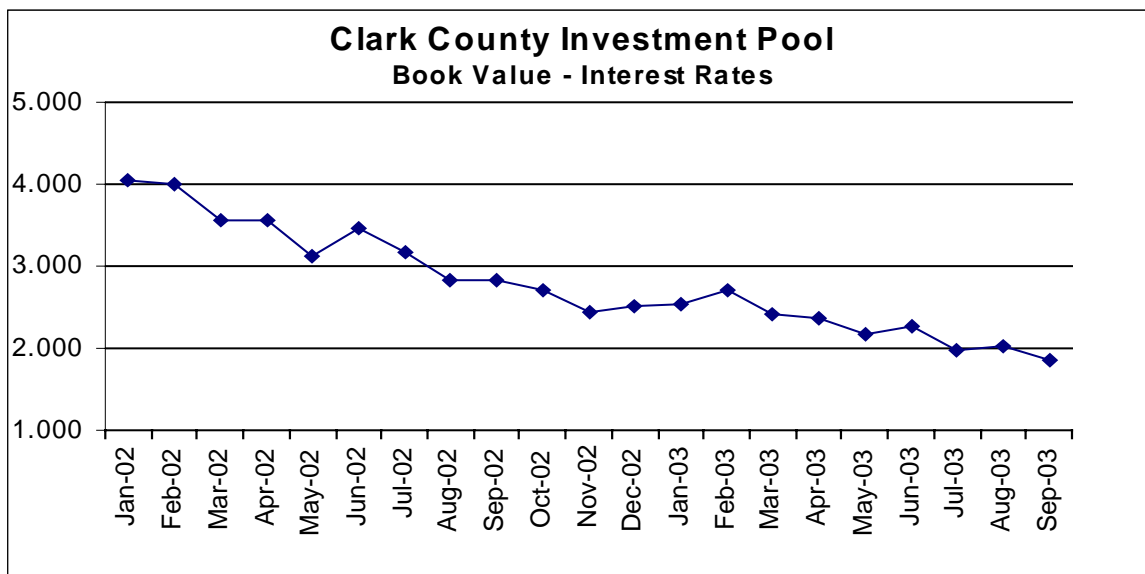


Figure 6

Figures 7 (a) and (b) compare performance on a book value return basis. The County Pool's interest rate is expressed as the net interest rate (the gross rate less the investment fee). The book value return of a portfolio measures the yield based on the yield of the securities at the time the securities are purchased. These performance benchmarks consist of a composite Treasury Index with an average maturity of nine months and the Washington State Local Government Investment Pool (LGIP) with an average maturity of approximately two months. The Clark County Investment Pool has an average maturity of approximately eight months. The Treasury Index and the LGIP closely track current interest rates. At the end of the third quarter, the County Pool's net rate, on a book value return basis was 1.85%, the Treasury Index was 1.05%, and the State Pool's net rate was 1.07%.

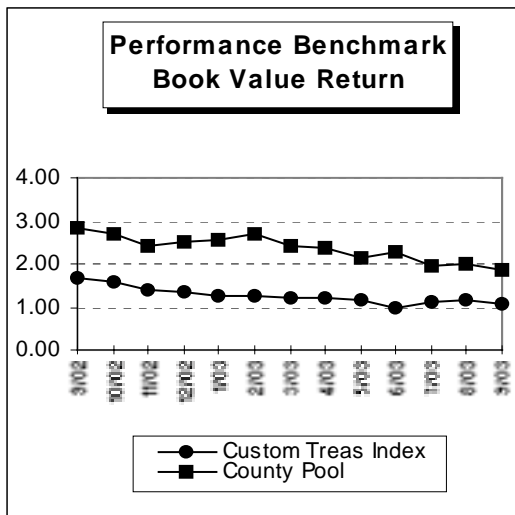


Figure 7(a)

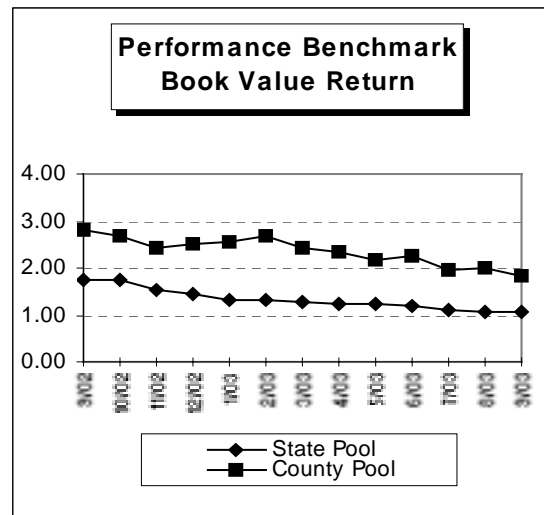


Figure 7(b)

Figure Eight compares performance on a total return basis. Total return measures the market value increase or decrease in the value of the portfolio over a given period of time and the interest earnings associated with the securities. The customized total return index consists of two Merrill Lynch U.S. Treasury Securities maturing from six months to one year. The annualized third quarter return for 2003 for the County Pool was 1.43% and the Treasury Index was 1.17%. Wide swings in return reflect the volatility in the investment markets. In addition, the custom Treasury total return index typically out performs the County Pool as the average maturity of the Pool falls below nine months.

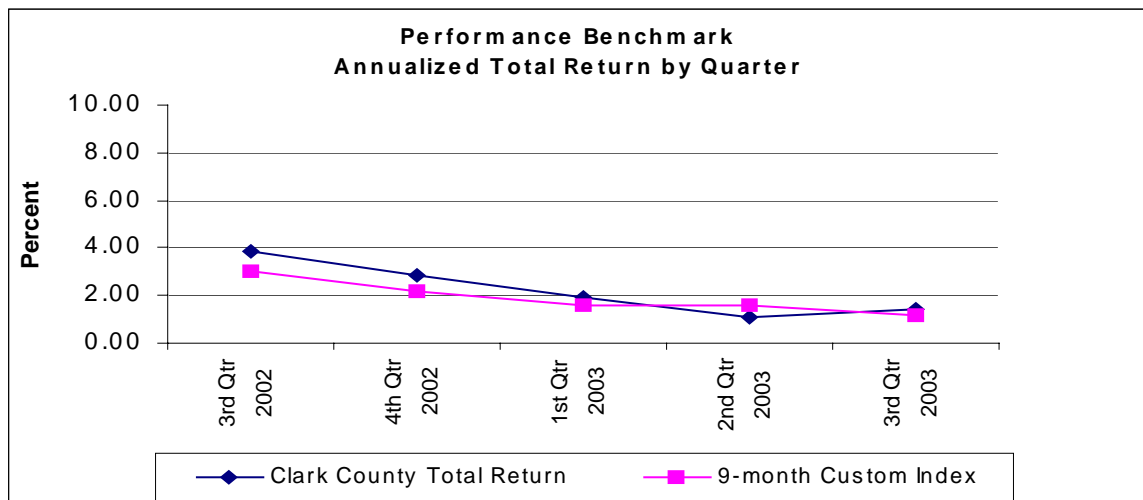


Figure 8

Figure Nine shows the market value of the Pool portfolio based on net asset value (NAV). As of September 2003, the NAV was 1.00236. GASB Statement 31 requires that External Investment Pools report all investments at fair market value, if the average maturity of the Pool exceeds 90 days. On August 31, 2003, the Treasurer's Office posted approximately \$2.0 million in unrealized losses to the County Pool. The next adjustment for fair market value will occur on December 31, 2003.

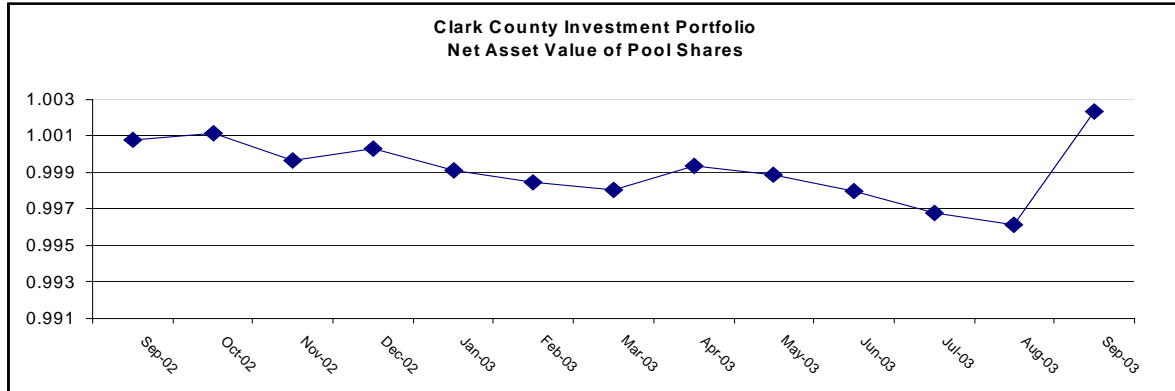


Figure 9

Figure Ten is a breakdown by year reflecting the total unrealized gains/(losses) since 1998. As of September 30, 2003 the County Portfolio has posted \$4.1 million in aggregate unrealized gains on a fair market value basis. Unrealized losses of approximately \$2.0 million were posted August 31, 2003 and are included in the figure below. Annual unrealized gains/(losses) are the direct result of fluctuating interest rates.

Year	Unrealized gain/(loss)
1998	566,583
1999	(2,563,593)
2000	4,038,403
2001	2,072,065
2002	295,807
2003	(4,149,260)
Cumulative	260,005

Figure 10

Figure Eleven shows the projected County Pool interest rates for 2003 compared with actual interest rates. Projected interest rates have been restated beginning in October 2003 due to significant reductions made by the Federal Reserve as well as lower than anticipated residual cash balances.

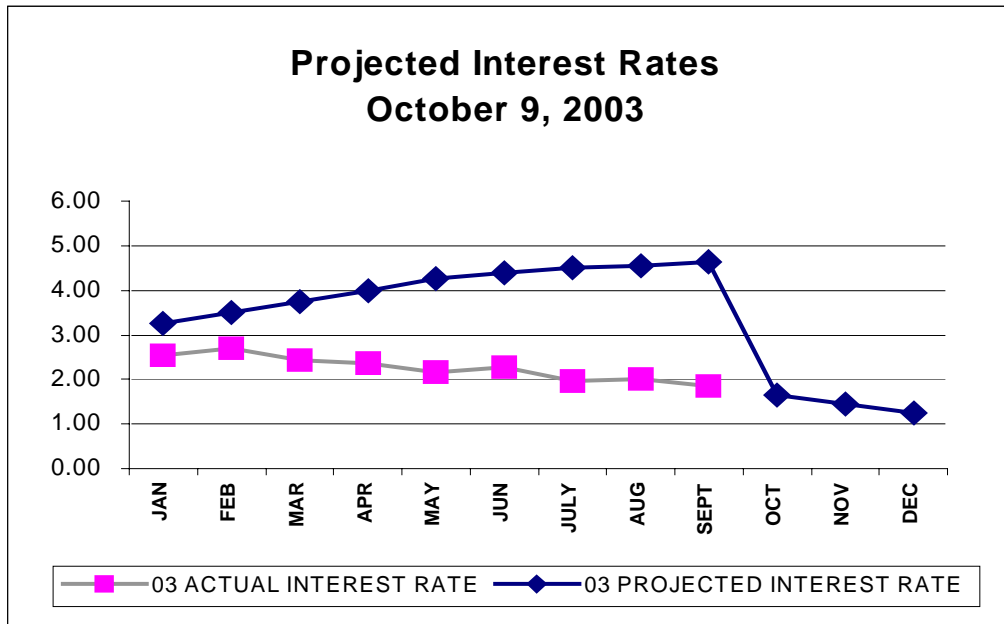


Figure 11

SECTION V - INVESTMENT STRATEGY

The following table shows the percentage distribution of the Clark County Pool maturity periods. As the table indicates, during 2002 emphasis was placed on purchasing securities in the 0 -1 year maturity sector to target an average maturity of 8 months. During 2003, investments were purchased in the 0 - 1 year sector to target an average maturity of 7-8 months.

Period	0 - 1 year	1 – 2 years	2 - 5 years
1 st quarter, 2002	60%	27%	12%
2 nd quarter, 2002	56%	42%	2%
3 rd quarter, 2002	63%	32%	5%
4 th quarter, 2002	66%	29%	5%
1 st quarter, 2003	71%	22%	7%
2 nd quarter, 2003	79%	7%	14%
3 rd quarter, 2003	76%	10%	14%

During the third quarter of 2003, we plan to maintain a weighted average maturity of seven to eight months using a "barbell" structure. We are going to continually monitor our investment strategy to be proactive as economic conditions fluctuate.

The second quarter, 2003 report issued by Public Financial Management, Inc. (PFM) recommended the following sector distributions to maintain the Clark County Investment Pool at a 7 to 8-month average maturity.

Investment Sector	Recommended Average Maturity	Current Average Maturity	Recommended % of Portfolio	Current % of Portfolio
US Treasury Notes	9 months-1.75 years	6.5 months	10% - 25%	12%
Federal Agency Notes/Disc. Notes	6 months – 2 years	1.54 years	30% - 60%	42%
Money Markets - State Pool, CP, CD's & BA's	1 – 60 days	1 day	30% - 60%	46%
Aggregate Avg. Maturity	7-8 months	8.5 months		

During the third quarter of 2003, the percentage of US Treasury Notes increased by 3%; there was a 2% increase in Federal Agencies and a 5% decrease in the money market sector.

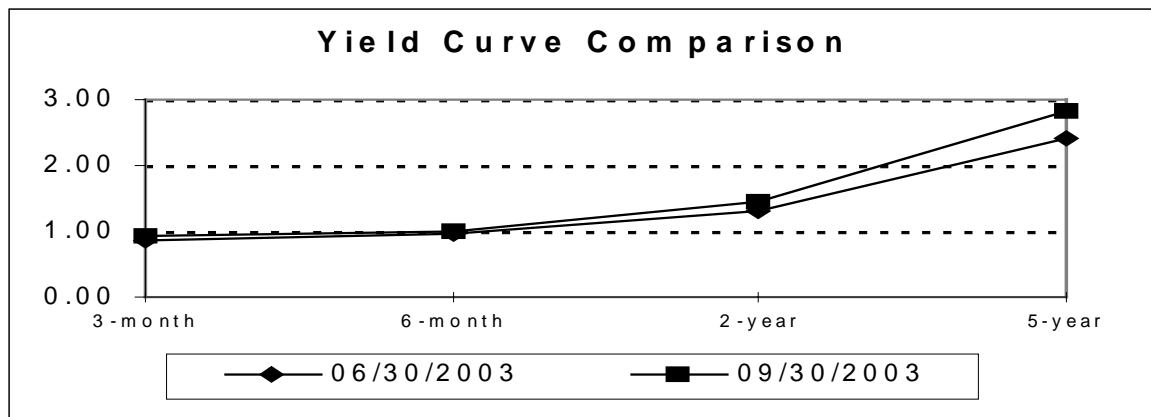
SECTION VI - ECONOMIC/MARKET CONDITIONS

Consumer prices rose slightly by just 0.1 percent in September for the second consecutive month. In the overall inflation report, even with the recent increases in the CPI, Federal Reserve policy-makers expressed more concern in the September 16th meeting, about deflation rather than inflation. The current climate of generally low levels of inflation gives the Fed the leeway to keep its main short-term interest rate at a 45-year low of 1 percent at its next meeting on Oct. 28, according to economists.

According to the Federal Reserve, industrial production rose by a solid 0.4 percent in September, a turnaround from the disappointing 0.1 percent dip reported in the previous month. Factory output jumped by 0.7 percent in September led by an increase in automobile production. Businesses cut inventories by 0.4 percent in August and sales dropped by 0.2 percent, a sign that companies are still concerned about the direction of the economy.

According to the Bureau of Labor Statistics, the number of unemployed persons decreased to 9.1 million in September, down from June's figure of 9.4 million. The national unemployment rate declined in the third quarter to 6.1% from 6.4% at the end of the second quarter. The number of jobs in manufacturing declined at a slower pace than in recent months, while employment in temporary help services continued to trend upward. In September, there were 2.1 million unemployed persons who had been looking for work for 27 weeks or longer, representing 23.2% of the total unemployed, according to the U.S. Department of Labor.

On September 30, 2003 the 3-month T-bill yielded 0.938 compared to 0.846% on June 30, 2003. The yield curve begins to shift upward after the 6-month sector.



SECTION VII - PORTFOLIO

Exhibit One shows the make up of the entire portfolio at the end of the third quarter of 2003. This exhibit is used to monitor compliance with the Investment Policy as far as the diversification of securities held and the percentage each sector makes up of the total portfolio. All percentages are consistent with the current policy.

Exhibit Two shows the complete portfolio listings as of the end of the year. This report shows the book value, the par value, and the market value of the portfolio as of September 30, 2003.

Exhibit Three shows the liquidity of the entire portfolio. All percentages are consistent with the current policy.

Exhibit Four reflects the percentage of securities purchased from each issuer relative to the entire portfolio. On September 30th, the average maturity was approximately 8.5 months. All the percentages are consistent with the current policy and PFM recommendations.

Exhibit Five shows all investment purchases and maturities from January 1, 2003 through September 30, 2003.

Exhibit Six shows the make up of the Clark County Investment Pool at the end of the third quarter of 2003. This exhibit is used to monitor compliance with the Investment Policy as far as the diversification of securities held and related percentage of the total portfolio for each type of security. On September 30, 2003 the average term of the Pool was approximately 8.5 months. All percentages are consistent with the current policy.

Exhibit Seven shows the portfolio listings of the Clark County Investment Pool at the end of the third quarter. This report contains the book value, the par value, and the market value as of September 30, 2003.

Exhibit Eight shows the liquidity of the Clark County Investment Pool. All percentages are consistent with the current policy.

Exhibit Nine reflects the percentage of securities purchased from each issuer for the Clark County Investment Pool. All percentages are consistent with the current policy.

Exhibit Ten is a comparison of the Clark County Investment Pool to the Washington State Pool.

Exhibit 1

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIC
DISTRIBUTION OF INVESTMENTS BY TYPE
SEPTEMBER 30, 2003**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Federal Agencies - Semi-annual	213,266,128.26	41.20%	562	2.470	2.504
Treasury Securities - Coupon	60,168,750.00	11.63%	195	2.955	2.996
Passbook/Money Market Accts	244,139,785.47	47.17%	1	1.138	1.154
Total	517,574,663.73	100.00%	255	1.89	1.92
Accrued Interest at Purchase	162,626.68				
Total Cash and Investments	<u>517,737,290.41</u>				

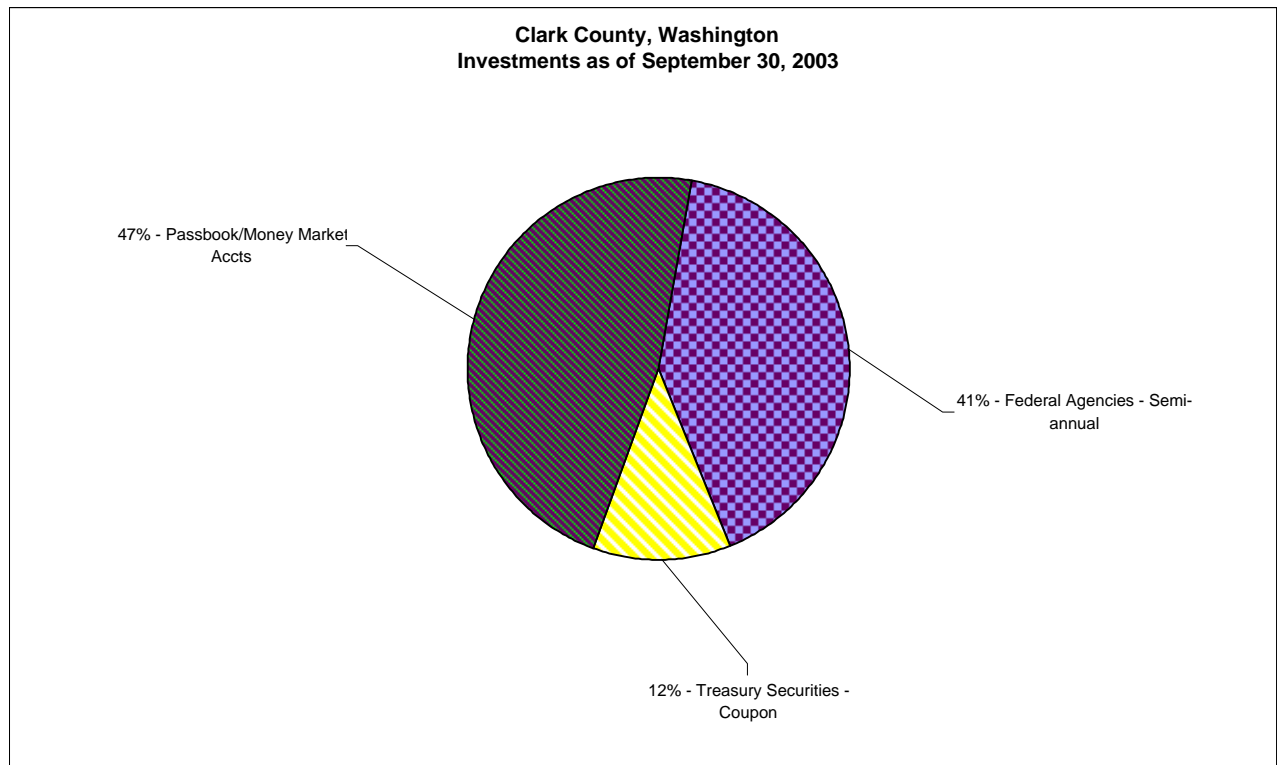


EXHIBIT 2
Clark County, Washington
Investment Portfolio
September 30, 2003

Investment Number		Purchase Date	Cusip Number	Book Value	Par Value	Market Price	Market Value	Cash	Coupon Rate	Yield to Maturity		Maturity Date	Days to Maturity
						09/30/03		Gain/(Loss) on Security		360	365		
Federal Agencies - Semi Annual Coupon													
89982900	Federal Farm Credit Bank	01/25/01	31331H6G7	4,989,900.00	5,000,000.00	99.625	4,981,250.00	(8,650.00)	5.400	5.399	5.474	01/23/04	114
89982934	Federal Farm Credit Bank	11/09/01	31331RN35	5,277,675.68	5,025,000.00	100.672	5,058,761.72	(218,913.96)	5.150	2.594	2.630	12/02/03	62
89982942	Federal Home Loan Bank	03/14/02	3133MEHL8	10,214,000.00	10,000,000.00	102.016	10,201,562.50	(12,437.50)	4.875	3.746	3.798	04/16/04	198
89982943	Federal Home Loan Bank	03/19/02	3133MEHL8	10,190,200.00	10,000,000.00	102.016	10,201,562.50	11,362.50	4.875	3.856	3.910	04/16/04	198
89982959	Federal Home Loan Bank	10/23/02	3133MP4B9	10,163,281.25	10,000,000.00	101.563	10,156,250.00	(7,031.25)	3.375	2.318	2.350	06/15/04	258
89982972	Federal Home Loan Bank	08/21/03	3133XOE88	9,926,562.50	10,000,000.00	101.420	10,141,970.00	215,407.50	3.125	3.279	3.325	08/15/07	1414
89982960	Federal Nat'l Mtg Assoc.	10/25/02	31359MNG4	10,126,500.00	10,000,000.00	101.313	10,131,250.00	4,750.00	3.000	2.181	2.211	06/15/04	258
89982963	Federal Nat'l Mtg Assoc.	03/17/03	31359MQF3	10,061,860.00	10,000,000.00	100.344	10,034,375.00	(27,485.00)	2.750	2.481	2.515	12/16/05	807
89982966	Federal Nat'l Mtg Assoc.	05/21/03	3136f3SH0	10,006,250.00	10,000,000.00	100.453	10,045,312.50	39,062.50	2.050	1.996	2.024	11/21/05	782
89982967	Federal Nat'l Mtg Assoc.	05/27/03	31359MQZ	10,096,200.00	10,000,000.00	100.406	10,040,625.00	(55,575.00)	2.125	1.757	1.781	04/15/06	927
89982947	Federal Home Loan Mtg. Corp.	04/19/02	3134A4PH1	10,030,200.00	10,000,000.00	101.391	10,139,062.50	108,862.50	3.750	3.542	3.591	04/15/04	197
89982961	Federal Home Loan Mtg. Corp.	11/08/02	3134A4EX8	15,729,619.20	15,000,000.00	102.375	15,356,250.00	(373,369.20)	5.000	1.718	1.742	05/15/04	227
89982964	Federal Home Loan Mtg. Corp.	04/22/03	3128X0UP2	5,015,997.10	5,000,000.00	100.472	5,023,580.00	7,582.90	2.700	2.542	2.577	01/13/06	835
89982965	Federal Home Loan Mtg. Corp.	04/24/03	3134A4RA4	10,201,953.13	10,000,000.00	102.391	10,239,062.50	37,109.37	2.875	1.978	2.005	09/15/05	715
89982968	Federal Home Loan Mtg. Corp.	06/05/03	3134A4RV8	10,107,700.00	10,000,000.00	100.734	10,073,437.50	(34,262.50)	1.875	1.182	1.198	01/15/05	472
89982969	Federal Home Loan Mtg. Corp.	06/26/03	3128X1LY1	10,000,000.00	10,000,000.00	99.719	9,971,921.00	(28,079.00)	2.300	2.268	2.300	12/26/06	1182
89982970	Federal Home Loan Mtg. Corp.	06/18/03	3128X1KH9	10,011,700.00	10,000,000.00	99.659	9,965,927.00	(45,773.00)	2.250	2.185	2.215	12/18/06	1174
89982974	Federal Home Loan Mtg. Corp.	09/29/03	3134A4RA	10,221,900.00	10,000,000.00	102.420	10,242,000.00	20,100.00	2.875	1.695	1.719	09/15/05	715
89982975	Federal Home Loan Mtg. Corp.	09/29/03	3134A4SX	10,073,900.00	10,000,000.00	101.060	10,106,000.00	32,100.00	2.375	2.047	2.075	04/15/06	927
89982971	Student Loan Market Assoc.	06/24/03	86387UBJ3	10,140,000.00	10,000,000.00	100.969	10,096,875.00	(43,125.00)	2.000	1.161	1.177	03/15/05	531
89982940	Student Loan Market Assoc.	01/25/02	86387UAW5	10,254,958.90	10,000,000.00	101.969	10,196,875.00	(58,083.90)	4.750	3.507	3.556	04/23/04	205
89982932	Tennessee Valley Authority	10/30/01	880591DD1	10,425,770.50	10,000,000.00	100.813	10,081,250.00	(344,520.50)	5.000	2.885	2.925	12/18/03	78
Subtotal & Averages				213,266,128.26	210,025,000.00		212,485,159.72	(780,968.54)		2.470	2.504		562
Treasury Securities - Coupon													
89982935	US Treasury Note	11/09/01	9128274U3	10,353,125.00	10,000,000.00	100.391	10,039,062.50	(314,062.50)	4.250	2.411	2.444	11/15/03	45
89982944	US Treasury Note	03/28/02	9128277H9	9,956,250.00	10,000,000.00	100.547	10,054,687.50	98,437.50	3.250	3.458	3.506	12/31/03	91
89982945	US Treasury Note	03/28/02	9128277H9	9,957,031.25	10,000,000.00	100.547	10,054,687.50	97,656.25	3.250	3.454	3.502	12/31/03	91
89982946	US Treasury Note	03/28/02	9128277K2	9,904,687.50	10,000,000.00	100.641	10,064,062.50	159,375.00	3.000	3.489	3.537	01/31/04	122
89982952	US Treasury Note	05/01/02	9128277K2	9,989,843.75	10,000,000.00	100.641	10,064,062.50	74,218.75	3.000	3.016	3.058	01/31/04	122
89982973	US Treasury Note	08/28/03	912828BJ8	10,007,812.50	10,000,000.00	101.063	10,106,250.00	98,437.50	2.000	1.933	1.960	08/31/05	700
Subtotal & Averages				60,168,750.00	60,000,000.00		60,382,812.50	214,062.50		2.955	2.996		111
Passbook/Money Market Accounts													
0001-3	Registered Warrant Investments			4,225,365.54	4,225,365.54		4,225,365.54		3.000	2.959	3.000		1
1030	Registered Warrant Investments			1,405,376.17	1,405,376.17		1,405,376.17		3.000	2.959	3.000		1
89980002	U.S. Bank - Municipal Investment Account			120,690,652.03	120,690,652.03		120,690,652.03		1.150	1.184	1.200		1
89980001	WA State Local Government Invest. Pool			117,818,391.73	117,818,391.73		117,818,391.73		1.070	1.090	1.105		1
Subtotal & Averages				244,139,785.47	244,139,785.47		244,139,785.47			1.127	1.143		1
Grand Total				517,574,663.73	514,164,785.47		517,007,757.69	(566,906.04)		1.899	1.925		255

8.50 months

EXHIBIT 3

CLARK COUNTY TOTAL INVESTMENT PORTFOLIO AGING OF MATURING INVESTMENTS SEPTEMBER 30, 2003

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$244,139,785.47	47.18%	47.18%
31 - 60	10,353,125.00	2.00%	49.18%
61 - 90	15,703,446.18	3.03%	52.21%
91 - 120	24,903,181.25	4.81%	57.02%
121 - 183	19,894,531.25	3.84%	60.86%
184 - 365	76,708,759.35	14.82%	75.68%
366 - 730	50,679,365.63	9.79%	85.47%
731 - 1290	65,265,907.10	12.61%	98.08%
1290- 1460	9,926,562.50	1.92%	100.00%
TOTALS	\$517,574,663.73	100.00%	

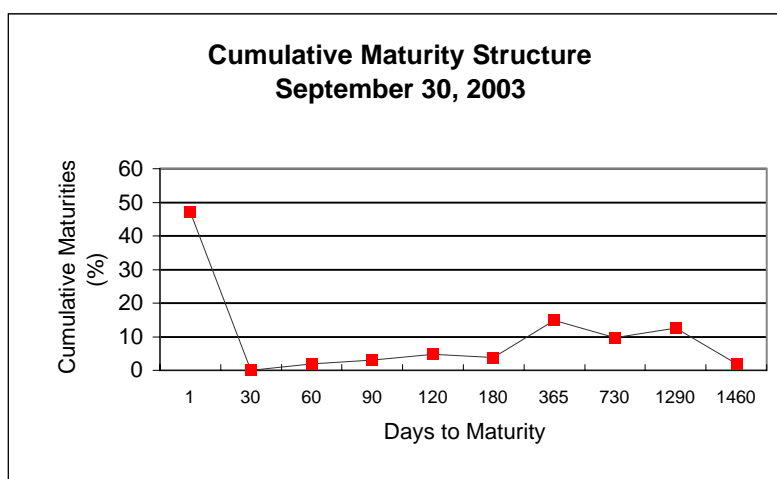
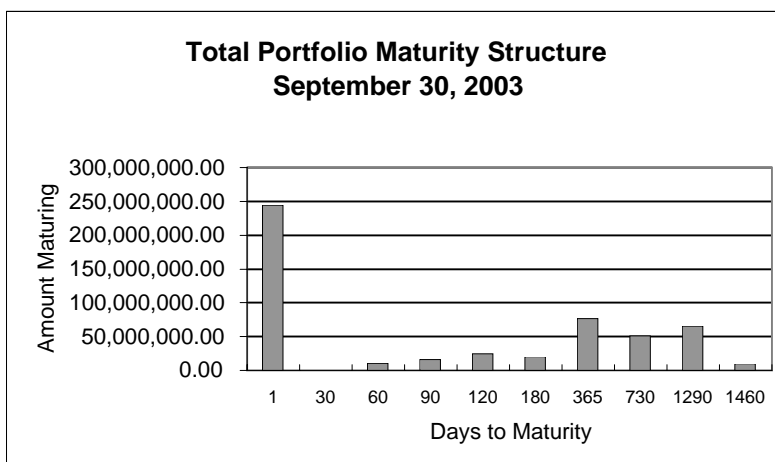


Exhibit 4

**CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
SUMMARY OF INVESTMENTS BY ISSUER
SEPTEMBER 30, 2003**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Federal Farm Credit Bank	2	10,267,575.68	1.98%	4.052	88
Federal Home Loan Bank	4	40,494,043.75	7.82%	3.346	517
Federal National Mtg Association	4	40,290,810.00	7.78%	2.133	694
Federal Home Loan Mtg Corp.	9	91,392,969.43	17.66%	2.158	716
Registered Warrants @ 3.56%	1	5,630,741.71	1.09%	3.000	1
Student Loan Market Assoc.	2	20,394,958.90	3.94%	2.367	368
Tennessee Valley Authority	1	10,425,770.50	2.01%	2.925	78
US Bank - Municipal Investor Account	1	120,690,652.03	23.33%	1.150	1
US Treasury Note	6	60,168,750.00	11.63%	3.001	195
Washington State Pool	1	117,818,391.73	22.76%	1.105	1
TOTALS and AVERAGES	31	\$ 517,574,663.73	100.00%	1.922	255

EXHIBIT 5

CLARK COUNTY TOTAL INVESTMENT PORTFOLIO
INVESTMENT ACTIVITY BY TYPE
JULY 1, 2003 - SEPTEMBER 30, 2003

NUMBER	ISSUER	STATED RATE	DATE	PURCHASES	MATURITIES	BALANCE
FEDERAL AGENCIES - SEMI ANNUAL COUPON				BEGINNING BALANCE:		223,582,153.26
89982957	Federal Home Loan Mtg. Corp.	3.500	07/29/05	0.00	5,032,812.50	218,549,340.76
89982958	Federal Home Loan Mtg. Corp.	3.500	07/29/03	0.00	10,046,875.00	208,502,465.76
89982874	Federal Home Loan Bank	6.875	08/15/03	0.00	10,090,900.00	198,411,565.76
89982962	Federal National Mtg Association	3.250	08/15/03	0.00	15,367,800.00	183,043,765.76
89982972	Federal Home Loan Bank	3.125	08/21/03	9,926,562.50	0.00	192,970,328.26
89982974	Federal Home Loan Mtg. Corp.	2.875	09/29/03	10,221,900.00	0.00	203,192,228.26
89982975	Federal Home Loan Mtg. Corp.	2.375	09/29/03	10,073,900.00	0.00	213,266,128.26
SUBTOTALS and ENDING BALANCE - JULY				0.00	40,538,387.50	183,043,765.76
SUBTOTALS and ENDING BALANCE - AUGUST				20,148,462.50	0.00	203,192,228.26
SUBTOTALS and ENDING BALANCE - SEPTEMBER				10,073,900.00	0.00	213,266,128.26
TREASURY SECURITIES - COUPON				BEGINNING BALANCE:		50,160,937.50
89982973	US Treasury Note	2.00	09/02/03	10,007,812.50	0.00	60,168,750.00
SUBTOTALS and ENDING BALANCE - JULY				0.00	0.00	50,160,937.50
SUBTOTALS and ENDING BALANCE - AUGUST				10,007,812.50	0.00	60,168,750.00
SUBTOTALS and ENDING BALANCE - SEPTEMBER				0.00	0.00	60,168,750.00
CLARK COUNTY				BEGINNING BALANCE:		0.00
JULY	Registered Warrant Invest Acct	3.00		34,486.93	0.00	34,486.93
AUGUST	Registered Warrant Invest Acct	3.00		4,190,878.61	0.00	4,225,365.54
SEPTEMBER	Registered Warrant Invest Acct	3.00		1,405,376.17	0.00	5,630,741.71
US BANK				BEGINNING BALANCE:		0.00
JULY	Municipal Investor Account	1.15		117,692.36	0.00	120,559,280.03
AUGUST	Municipal Investor Account	1.15		2,117,350.26	2,100,012.50	120,576,617.79
SEPTEMBER	Municipal Investor Account	1.15		114,034.24	0.00	120,690,652.03
STATE POOL				BEGINNING BALANCE:		162,149,366.15
JULY	Washington State Pool	1.23		43,269,753.99	35,600,000.00	169,819,120.14
AUGUST	Washington State Pool	1.06		47,131,845.42	62,450,000.00	154,500,965.56
SEPTEMBER	Washington State Pool	1.07		23,517,426.17	60,200,000.00	117,818,391.73
				BEGINNING BALANCE:		
JULY	TOTALS			556,334,044.58	43,421,933.28	523,617,590.36
AUGUST	TOTALS			523,617,590.36	83,596,349.29	542,663,927.15
SEPTEMBER	TOTALS			542,663,927.15	60,200,000.00	517,574,663.73

Exhibit 6

**CLARK COUNTY INVESTMENT POOL
DISTRIBUTION OF INVESTMENTS BY TYPE
SEPTEMBER 30, 2003**

Investments	Book Value	Percent of Portfolio	Average Days to Maturity	Yield to Maturity	
				360 Equivalent	365 Equivalent
Federal Agencies - Semi-annual	213,266,128.26	41.66%	561	2.470	2.504
Treasury Securities - Coupon	60,168,750.00	11.75%	194	2.955	2.996
Passbook/Money Market Accts	238,509,043.76	46.59%	1	1.095	1.110
Total	<u>511,943,922.02</u>	<u>100.00%</u>	<u>257</u>	<u>1.887</u>	<u>1.913</u>

**Clark County Investment Pool
Investments as of September 30, 2003**

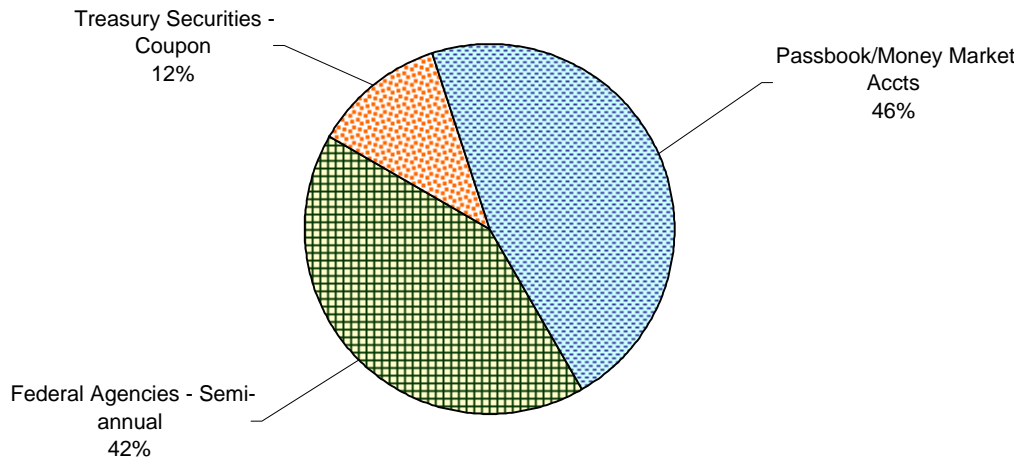


Exhibit 7
Clark County Investment Pool
Investment Portfolio
September 30, 2003

Investment Number	Description	Purchase Date	Cusip Number	Cost at Purchase	Book Value	Par Value	Market Price 09/30/03	Market Value	Cash Gain/(Loss) on Security	Coupon Rate	Yield to Maturity 360	Yield to Maturity 365	Maturity Date	Days to Maturity
Federal Agencies - Semi Annual Coupon														
89982900	Federal Farm Credit Bank	01/25/01	31331H6G7	4,989,900.00	4,998,950.65	5,000,000.00	99.625	4,981,250.00	(8,650.00)	5.400	5.398	5.473	01/23/04	114
89982934	Federal Farm Credit Bank	11/09/01	31331RN35	5,277,675.68	5,045,744.57	5,025,000.00	100.672	5,058,761.72	(218,913.96)	5.150	2.594	2.630	12/02/03	62
89982942	Federal Home Loan Bank	03/14/02	3133MEHL8	10,214,000.00	10,055,492.02	10,000,000.00	102.016	10,201,562.50	(12,437.50)	4.875	3.745	3.797	04/16/04	198
89982943	Federal Home Loan Bank	03/19/02	3133MEHL8	10,190,200.00	10,049,650.60	10,000,000.00	102.016	10,201,562.50	11,362.50	4.875	3.856	3.910	04/16/04	198
89982959	Federal Home Loan Bank	10/23/02	3133MP4B9	10,163,281.25	10,070,056.48	10,000,000.00	101.563	10,156,250.00	(7,031.25)	3.375	2.318	2.350	06/15/04	258
89982972	Federal Home Loan Bank	08/21/2003	3133X0E88	9,926,562.50	9,928,610.97	10,000,000.00	101.420	10,141,970.00	215,407.50	3.125	3.278	3.324	08/15/07	1,414
89982960	Federal Nat'l Mtg Assoc.	10/25/02	31359MNG4	10,126,500.00	10,054,459.32	10,000,000.00	101.313	10,131,250.00	4,750.00	3.000	2.181	2.211	06/15/04	258
89982963	Federal Nat'l Mtg Assoc.	03/17/03	31359MQF3	10,061,860.00	10,022,012.09	10,000,000.00	100.344	10,034,375.00	(27,485.00)	2.750	2.480	2.514	12/16/05	807
89982966	Federal Nat'l Mtg Assoc.	05/21/03	3136f3SH0	10,006,250.00	10,003,708.32	10,000,000.00	100.453	10,045,312.50	39,062.50	2.050	1.996	2.024	11/21/05	782
89982967	Federal Nat'l Mtg Assoc.	05/27/03	31359MQZ	10,096,200.00	10,084,707.90	10,000,000.00	100.406	10,040,625.00	(55,575.00)	2.125	1.756	1.780	04/15/06	927
89982947	Federal Home Loan Mtg. Corp.	04/19/02	3134A4PH1	10,030,200.00	10,008,182.68	10,000,000.00	101.391	10,139,062.50	130,879.82	3.750	3.542	3.591	04/15/04	197
89982961	Federal Home Loan Mtg. Corp.	11/08/02	3134A4EX8	15,729,619.20	15,298,783.73	15,000,000.00	102.375	15,356,250.00	57,466.27	5.000	1.718	1.742	05/15/04	227
89982964	Federal Home Loan Mtg. Corp.	04/22/03	3128X0UP2	5,015,997.10	5,005,361.92	5,000,000.00	100.472	5,023,580.00	18,218.08	2.700	2.541	2.576	01/13/06	835
89982965	Federal Home Loan Mtg. Corp.	04/24/03	3134A4RA4	10,201,953.13	10,165,127.76	10,000,000.00	102.391	10,239,062.50	73,934.74	2.875	1.978	2.005	09/15/05	715
89982968	Federal Home Loan Mtg. Corp.	06/05/03	3134A4RV8	10,107,700.00	10,086,160.00	10,000,000.00	100.734	10,073,437.50	(12,722.50)	1.875	1.181	1.197	01/15/05	472
89982969	Federal Home Loan Mtg. Corp.	06/26/03	3128X1LY1	10,000,000.00	10,000,000.00	10,000,000.00	99.719	9,971,921.00	(28,079.00)	2.300	2.268	2.300	12/26/06	1,182
89982970	Federal Home Loan Mtg. Corp.	06/18/03	3128X1KH9	10,011,700.00	10,007,800.00	10,000,000.00	99.659	9,965,927.00	(41,873.00)	2.250	2.185	2.215	12/18/06	1,174
89982974	Federal Home Loan Mtg. Corp.	09/29/03	3134A4RA4	10,221,900.00	10,221,271.39	10,000,000.00	102.420	10,242,000.00	20,728.61	2.875	1.695	1.719	09/15/05	715
89982975	Federal Home Loan Mtg. Corp.	09/29/03	3134A4SX	10,073,900.00	10,073,738.65	10,000,000.00	101.060	10,106,000.00	32,261.35	2.375	2.047	2.075	04/15/06	927
89982971	Student Loan Market Assoc.	06/24/03	86387UBJ3	10,140,000.00	10,118,132.05	10,000,000.00	100.969	10,096,875.00	(21,257.05)	2.000	1.161	1.177	03/15/05	531
89982940	Student Loan Market Assoc.	01/25/02	86387UAW5	10,254,958.90	10,063,739.73	10,000,000.00	101.969	10,196,875.00	133,135.27	4.750	3.506	3.555	04/23/04	205
89982932	Tennessee Valley Authority	10/31/01	880591DD1	10,425,770.50	10,042,687.93	10,000,000.00	100.813	10,081,250.00	38,562.07	5.000	2.885	2.925	12/18/03	78
Subtotal & Averages				213,266,128.26	211,404,378.76	210,025,000.00		212,485,159.72	341,744.45		2.470	2.504		562
Treasury Securities -Semi Annual Coupon														
89982935	US Treasury Note	11/09/01	9128274U3	10,353,125.00	10,021,590.52	10,000,000.00	100.391	10,039,062.50	(314,062.50)	4.250	2.411	2.444	11/15/03	45
89982944	US Treasury Note	03/28/02	9128277H9	9,956,250.00	9,993,808.32	10,000,000.00	100.547	10,054,687.50	98,437.50	3.250	3.458	3.506	12/31/03	91
89982945	US Treasury Note	03/28/02	9128277H9	9,957,031.25	9,993,918.89	10,000,000.00	100.547	10,054,687.50	97,656.25	3.250	3.453	3.501	12/31/03	91
89982946	US Treasury Note	03/28/02	3128277K2	9,904,687.50	9,982,747.59	10,000,000.00	100.641	10,064,062.50	159,375.00	3.000	3.488	3.536	01/31/04	122
89982952	US Treasury Note	05/01/02	9128277K2	9,989,843.75	9,998,079.83	10,000,000.00	100.641	10,064,062.50	74,218.75	3.000	3.016	3.058	01/31/04	122
89982973	US Treasury Note	09/02/03	912828BJ8	10,007,812.50	10,007,501.71	10,000,000.00	101.063	10,106,250.00	98,437.50	2.000	1.932	1.959	08/31/05	700
Subtotal & Averages				60,168,750.00	59,997,646.86	60,000,000.00		60,382,812.50	214,062.50		2.955	2.996		195
Passbook/Money Market Accounts														
89980002	U.S. Bank - Municipal Investment Account			120,690,652.03	120,690,652.03	120,690,652.03		120,690,652.03		1.150	1.184	1.200		1
89980001	WA State Local Government Invest. Pool			117,818,391.73	117,818,391.73	117,818,391.73		117,818,391.73		1.070	1.090	1.105		1
Subtotal & Averages				238,509,043.76	238,509,043.76	238,509,043.76		238,509,043.76			1.095	1.110		1
Grand Total				511,943,922.02	509,911,069.38	508,534,043.76		511,377,015.98	555,806.95		1.887	1.913		257
				511,943,922.02	509,911,069.38	508,534,043.76		511,377,015.98	555,806.95		1.89	1.91		

8.57
months

EXHIBIT 8

CLARK COUNTY INVESTMENT POOL AGING OF MATURING INVESTMENTS SEPTEMBER 30, 2003

Days to Maturity	Book Value	% Maturing	Cumulative % Maturing
1	\$238,509,043.76	46.59%	46.59%
31 - 60	10,353,125.00	2.02%	48.61%
61 - 90	15,703,446.18	3.07%	51.68%
91 - 120	24,903,181.25	4.86%	56.54%
121 - 183	19,894,531.25	3.89%	60.43%
184 - 365	76,708,759.35	14.98%	75.41%
366 - 730	50,679,365.63	9.90%	85.31%
731 - 1290	65,265,907.10	12.75%	98.06%
1290 - 1460	9,926,562.50	1.94%	100.00%
TOTALS	\$511,943,922.02	100.000%	

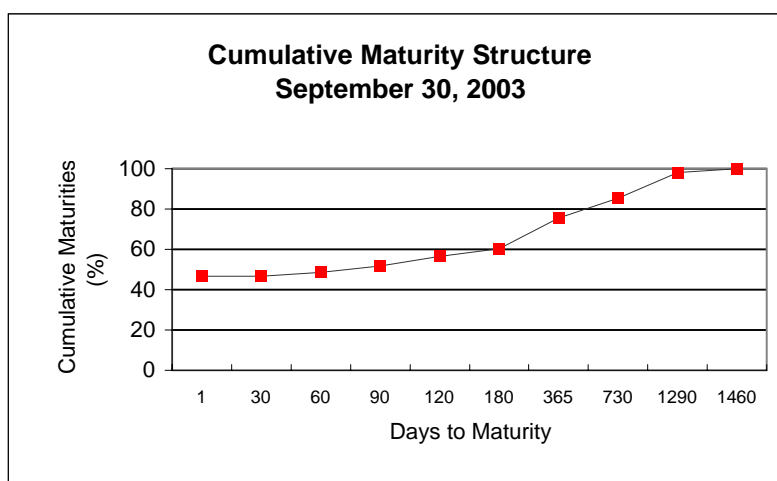
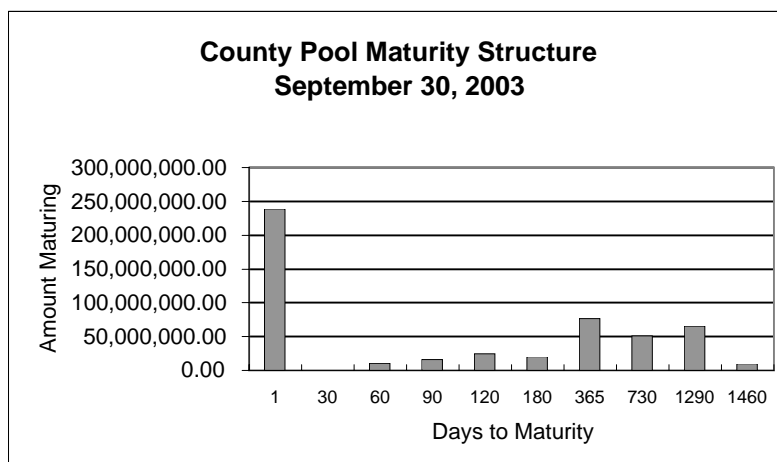


Exhibit 9

**CLARK COUNTY TOTAL INVESTMENT POOL
SUMMARY OF INVESTMENTS BY ISSUER
SEPTEMBER 30, 2003**

Issuer	Number of Investments	Book Value	% of Portfolio	Avg YTM (365)	Days to Maturity
Federal Farm Credit Bank	2	10,267,575.68	2.01%	4.052	88
Federal Home Loan Bank	4	40,494,043.75	7.91%	3.346	517
Federal National Mtg Association	4	40,290,810.00	7.87%	2.133	694
Federal Home Loan Mtg Corp.	9	91,392,969.43	17.85%	2.158	716
Student Loan Market Assoc.	2	20,394,958.90	3.98%	2.367	368
Tennessee Valley Authority	1	10,425,770.50	2.04%	2.925	78
US Bank - Municipal Investor Account	1	120,690,652.03	23.57%	1.150	1
US Treasury Note	6	60,168,750.00	11.75%	3.001	195
Washington State Pool	1	117,818,391.73	23.02%	1.105	1
TOTALS AND AVERAGES	30	\$511,943,922.02	100.00%	1.922	257

Exhibit 10 **County Pool vs. State Pool** **1/88 - 09/03**

Overall, \$17.5 million increased
interest income realized from
Pooling

